

RE: DTROT Border Blockade Update

From: "Maron, Stefano -WSHDC -WS" <stefano.maron@international.gc.ca>
To: "Connell, Christine -DTROT -GR" <christine.connell@international.gc.ca>
Cc: "Lambo, Pam -WSHDC -WS -PA" <pam.lambo@international.gc.ca>, "Parsons, Alanna -NGB" <alanna.parsons@international.gc.ca>
Date: Thu, 10 Feb 2022 19:43:25 +0000

Thanks Christine. The Rep. Kildee call with DHOM/Loken is now at 6:45 pm. Kildee's office said they will issue the following statement, likely before the call happens:

"Auto workers in my district have endured a tough year due to pandemic-related supply chain issues and semiconductor shortages. We must keep the border between the United States and Canada open to allow goods, including auto parts and agricultural products, to freely move between our two countries. I am in touch with the Canadian government to ensure that our border crossing is fully reopened as soon as possible."

From: Connell, Christine -DTROT -GR <Christine.Connell@international.gc.ca>
Sent: February 10, 2022 2:42 PM
To: Maron, Stefano -WSHDC -WS <Stefano.Maron@international.gc.ca>
Cc: Lambo, Pam -WSHDC -WS -PA <Pam.Lambo@international.gc.ca>; Parsons, Alanna -NGB <Alanna.Parsons@international.gc.ca>
Subject: RE: DTROT Border Blockade Update

Stefano,

For your awareness, DTROT HoM has a 3:30 call with Senator Peters (D-MI) today.

Thanks, Christine

From: Maron, Stefano -WSHDC -WS <Stefano.Maron@international.gc.ca>
Sent: February 10, 2022 9:33 AM
To: Connell, Christine -DTROT -GR <Christine.Connell@international.gc.ca>
Cc: Lambo, Pam -WSHDC -WS -PA <Pam.Lambo@international.gc.ca>; Parsons, Alanna -NGB <Alanna.Parsons@international.gc.ca>
Subject: Re: DTROT Border Blockade Update

Hi Christine,

We are looking at the best approach forward with Congress with other sections — I'll keep you posted on where we land. FYI Rep. Kildee has requested to speak with Amb Hillman; she's away today so DHOM/Loken might take the call if it happens today.

Best
Stefano

On Feb 10, 2022, at 8:08 AM, Connell, Christine -DTROT -GR
<Christine.Connell@international.gc.ca> wrote:

Good morning!

Question for you Stefano. Is WSHDC planning a strategic/targeted outreach campaign to members of Congress? DTROT wants to make sure we are all on same page when engaging. Appreciate the lines provided thus far. Updates—especially specifics on Canada's actions to resolve the situation—are always welcome. ~Christine

Situation update:

- AMB Bridge: closed in both directions this morning.
- Bluewater Bridge: A small contingent of protesters have setup on HWY 402 WB route for outbound traffic. As of now traffic continues in both directions. Delays for EB commercial traffic into Canada ranging between 1.5 and 4+ hours.
- Reports of dropped manufacturing shifts, delays. Restaurant supply sector impacts (see Crain's article furthest below).

Michigan reaction:

- Several MI members of Congress quoted as highlighted in the Detroit News article below.
- Elissa Slotkin @RepSlotkin tweets in a thread on the Blockade at the Ambassador Bridge "...we have to bring American manufacturing back home..."

← Thread



Rep. Elissa Slotkin @RepSlotkin · 9h

If we needed another example of why supply chains matter, look no further: the blockade of the Ambassador Bridge, the busiest border crossing in America, is already creating major disruptions for our businesses in Michigan.



lansingstatejournal.com

Lansing-Delta Assembly Plant cancels shift due to parts s...
The shift was canceled due to parts shortages. It's unknown if additional shifts will be affected.

24 30 135



Rep. Elissa Slotkin @RepSlotkin · 9h

Michiganders have been saying for decades that when our manufacturing is outsourced too much, we end up paying the price. It doesn't matter if it's an adversary or an ally — we can't be this reliant on parts coming from foreign countries.

4 6 36



Rep. Elissa Slotkin @RepSlotkin · 9h

I've been in contact with the White House today about this situation, and they are closely following these events. We are all waiting for Prime Minister Trudeau's way forward.

6 4 45



Rep. Elissa Slotkin @RepSlotkin

The one thing that couldn't be more clear is that we have to bring American manufacturing back home to states like Michigan. If we don't, it's American workers like the folks at Delta Township who are left holding the bag.

9:43 PM · Feb 9, 2022 | Twitter Web App

White House worried about Ambassador Bridge blockade disrupting auto production
Melissa Nann Burke

Riley Beggin
The Detroit News

Published 2:35 p.m. ET Feb. 9, 2022 Updated 3:24 p.m. ET Feb. 9, 2022

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Washington — The White House said Wednesday it's "watching very closely" the blockade of the Ambassador Bridge by protesters in Canada, stressing the risk it poses to disrupting auto production, agricultural exports and to workers who need to cross the border.

More: [What to know about the traffic delays at Ambassador Bridge, trucker protest over COVID mandate](#)

White House Press Secretary Jen Psaki said the administration is coordinating with and in close touch with Gov. Gretchen Whitmer, auto companies, Customs and Border Protection officials, as well as Canadian counterparts to monitor the situation.

"The Ambassador Bridge is Canada's busiest link to the United States and accounts for about 25% of trade between the two countries," Psaki said, "and so the blockade poses a risk to supply chains for the auto industry because the bridge is a key conduit for motor vehicles components and parts."



Protests in Canada have prompted closures at the Ambassador Bridge since Monday, causing headaches for commercial drivers and traffic on Michigan roadways. As of Wednesday afternoon, the border was open to U.S.-bound traffic but closed to Canadian-bound travel.

The city of Windsor said about 100 people are protesting at the bridge Wednesday. In Ottawa, demonstrations staged by the Freedom Truck Convoy have shut down parts of the capital city for more than 10 days, with protesters demanding vaccine mandates and COVID-19 restrictions be lifted.

White House homeland security adviser Elizabeth Sherwood-Randall convened a meeting about the Ambassador Bridge's blockade on Wednesday, Psaki said.

"The President is focused on this and we are working very closely with the team at DHS, with Canadian officials and others to do everything we can to alleviate the impact," Psaki said.

White House officials are communicating with automakers about what auto parts coming from Canada could be delayed due to the disruption at the border crossing. They are also tracking potential disruptions to U.S. agricultural exports from Michigan into Canada, Psaki said.

She noted that Customs and Border officials have worked with Canadian counterparts to re-route traffic from the Ambassador Bridge to the Blue Water Bridge.

"There's still a lengthy delay, but it is enabling some of these trucks and transports to get through," Psaki said. "We're working to ensure there's movement."

She noted they opened all nine commercial lanes including a fast lane at the bridge to process diverted traffic.

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But protests had been threatened for Wednesday in Sarnia on the Canadian side of the bridge, according to media reports.

"We support peaceful protest, but we have concerns when those protests turn violent," Psaki said.

"And certainly I think it's important for everyone in Canada and the United States to understand what the potential impact of this blockage is on workers, on the supply chain and that is where we are most focused."

John Walsh, president and CEO of the Michigan Manufacturers Association, told The Detroit News his organization is fielding questions and concerns from its members and lobbying

elected officials for a resolution.

“As an association, we’ve been in contact with our senators, as well as with the governor,” he said. “She’s been working hard with the Biden administration to convey the importance of getting this resolved and hopefully bringing some pressure on the Canadian government.”

If a resolution is not reached quickly, Walsh is worried factory shutdowns and temporary layoffs could begin within the next few days because of the manufacturing industry's reliance on a just-in-time supply model.

Several lawmakers on Capitol Hill said they were monitoring the protests and reaching out to U.S. Homeland Security officials Wednesday.

The onus is on Canada to determine a solution to the strain because the protests are challenging a Canadian policy, said **Sen. Debbie Stabenow, D-Lansing**, even as the supply chain disruptions impact Michigan and the U.S. as a whole.

Whitmer and the Canadian government are working on easing the strain, she added, including having some of the nurses working in hospitals on either side of the border stay overnight rather than commute.

“It’s a complicated situation. ... It’s hospital personnel, it’s auto supply chain, it’s many things,” she said. “But ultimately, the Canadian government has to decide how they’re going to respond.”

Rep. Andy Levin, D-Bloomfield Township, said the situation presents a “very, very serious” potential impediment to what’s already a delicate supply chain.

“I trust that the Canadian authorities will not treat this as simply a local police matter of Windsor, Ontario or Ottawa,” Levin said.

“These are obviously protests about national policy, and we need to find a way to afford people — truckers and everybody else — the right to protest without undermining the economy, causing more supply chain problems, or adding to inflationary pressures.”

Sen. Gary Peters, D-Bloomfield Township, said his office is looking into ways to alleviate the congestion, including working with the Canadian government.

“We’re clearly very worried about the backup because trade is just so integral to our economy and the Canadian economy,” Peters said.

He declined to weigh in on the vaccine mandate that the truckers are protesting.

“I would hope the Canadian government could work it out as quickly as possible,” Peters said.

Rep. Elissa Slotkin, D-Holly, noted the conversations happening between the Canadians and the White House and with U.S. Customs and Border Protection.

“They found a way to effectively protest. I would not be shocked if we saw those kinds of protests in the United States because they have been so effective,” Slotkin said.

“But the truth is there is cargo that needs to get through, and so I'm not sure what we can do to get some sort of agreement to allow traffic to go back. But I'm hoping that the Canadian government informs us quickly that they've said 'uncle' and they're going to do something to get us back to full health.”

A “silver lining” of the situation, she added, is that more people are realizing that Michigan is where one-fourth of U.S.-Canadian road trade crosses and “recognizing what Michigan is to our economy.”

mburke@detroitnews.com

Staff Writer Jordyn Grzelewski contributed.

<https://www.detroitnews.com/story/business/2022/02/09/white-house-worried-ambassador-bridge-blockade-disrupting-auto-production/6724077001/>

February 09, 2022 01:14 PM UPDATED 15 HOURS AGO

Blockade at Ambassador Bridge hits trucking companies, auto industry

Crain's Detroit, Automotive News and wire reports

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Bloomberg

Trucks backed up for miles as they wait on Interstate 75 for the reopening of Ambassador Bridge in Detroit on Tuesday.

An ongoing blockade at the Ambassador Bridge — the busiest land border crossing between the U.S. and Canada — is starting to hit vehicle production in Canada.

Stellantis confirmed that its Windsor Assembly Plant "had to short shift its first shift due to parts shortages" on Tuesday. The plant was running Wednesday morning.

"We continue to work closely with our carriers to get parts into the plant and, at this time, expect that afternoon shift will start as scheduled," the automaker said in a statement to Automotive News Canada.

Representatives from Ford Motor Co. and General Motors Co. said they are monitoring the situation.

Meanwhile, transportation companies are scrambling to find alternative ways to move freight back and forth to Canada and the U.S.

Penske Logistics, which employs more than 11,000 truck drivers in North America, is stopping or delaying dispatches for cross-border routes that must pass from Michigan to Ontario, spokesman Randy Ryerson told Crain's. In some cases, the company is rerouting loads to other border points such as the Buffalo-Niagara crossing and providing real-time updates to customers.

ADVERTISING

"We are staying in very close contact with our customers to ensure they can make informed decisions about their overall supply chain strategy in working through this matter," Ryerson said in an email.

Protesters, with demands ranging from the end of Canada's new COVID-19 vaccine rules for truckers to the ousting of Prime Minister Justin Trudeau, brought traffic onto and off the Ambassador Bridge to a standstill starting Monday evening. By Tuesday morning, trucks were backed up for miles on Detroit freeways and surface streets near the bridge entrance in southwest Detroit.

The situation is further stretching an auto supply chain already worn thin by pandemic-related labor shortages and a scarcity of chips.

A prolonged blockage of trade would result in plant shutdowns and layoffs, said John Walsh, president and CEO of the Michigan Manufacturers Association. While manufacturing is resilient, he said, the sector is already struggling with the "pandemic's jet stream and continued shortages in the workforce."

"While a one or two day blockage is certainly expensive and impacts an already fragile supply chain, anything much longer will result in shutdowns and related layoffs until the issue is resolved," Walsh said in an email. "Our hope is that the truckers and the Canadian government can resolve their issues quickly and that any further demonstrations that might continue take place in a manner that does not impact the flow of traffic across the border."

Smaller suppliers that have run out of COVID-relief loans and suffered shutdowns because of coronavirus outbreaks are particularly vulnerable, said Alex Calderone, president of Calderone Advisory Group, a Birmingham-based consultancy that works with distressed suppliers.

"The supply chain has been destabilized" during the pandemic, he said. "The smaller suppliers in particular are just not in a position to be able to withstand this type of a blow."

Calderone spent Tuesday morning with a Michigan-based client that needed to send plastic parts to a supplier in Canada this week in order to make payroll, he said. They were planning an alternate route to avoid the bridge.

Canada imposed a COVID-19 vaccine requirement on all truckers entering from the U.S. last month despite worries it could undermine supply chains and damage the economy. The move ignited protests among truckers, farmers and hangers-on, which have paralyzed downtown Ottawa, Canada's capital city, for more than 10 days.

More than 60 business associations from Canada and Michigan, including the Detroit Regional Chamber, joined a call for action Tuesday to immediately reopen the Ambassador Bridge, calling it a "vital enabler" for each company's economy.

"Given the importance of ensuring that the supply of food, medical products and industrial goods can continue, the disruption at the Ambassador Bridge is an attack on the well-being of our citizens and the businesses that employ them," said the letter signed by the business groups. "As our economies emerge from the impacts of the pandemic, we cannot allow any group to undermine the crossborder trade that supports families on both sides of the border."

About 90 percent of truckers in Canada are vaccinated, and trucker associations and many big-rig operators have denounced the protests. The U.S. has the same vaccination rule for truckers entering the country, so it would make little difference if Trudeau lifted the restriction.

"The protests in Ottawa Canada and the Ambassador Bridge are less and less about vaccines and more and more about political extremism and desires to disrupt the Canadian government and economy (done with external radical influences and money)," Bruce Heyman, a former U.S. Ambassador to Canada, tweeted.

The disruption has extended beyond the auto industry. Henry Ford Health System, one of the largest hospital chains in Detroit, said some staff experienced some minor delays and inconveniences due to re-routing. Restaurant supplier Sysco Corp. said it had slight problems getting orders from Canadian distribution centers to local restaurants.

"It's taking longer to deliver. We think it's a short-term situation," Sysco CEO Kevin Hourican said. "I think what you're seeing is a reaction to some of the decisions the government made, which were very strict."

Officials urged commercial traffic to use the Blue Water Bridge to the north, which connects Port Huron and Sarnia, Ontario. The Detroit-Windsor Tunnel remains open to noncommercial traffic between the two countries.

Auto manufacturers and suppliers are watching the situation, some warning that their operations could be disrupted if the Ambassador Bridge remains closed.

"Basically, if there's a shutdown of transportation routes, the auto industry comes to a screeching halt in about two days," Robert Wildeboer, executive chairman of Martinrea International Inc., said Tuesday on BNN Bloomberg Television.

The slowdowns are a problem for Martinrea, which is based in Vaughan, Ontario, but has locations in the U.S. and around the world, including a tech center in Auburn Hills. "We have 38 trucks cross at the Detroit border per day and 16 in Sarnia," Wildeboer said.

He called on Trudeau to back down on new rules that require truckers to be vaccinated against COVID-19 to enter the country.

Overall, more than 25 percent of goods traded between Canada and the U.S. moves across the Ambassador Bridge.

At the micro-level, 7,000 trucks are estimated to cross the Windsor-Detroit corridor every day, the Windsor-Detroit Bridge Authority says, while about 2.5 million trucks cross the bridge each year. The authority says those truckloads of goods, which include auto parts and new vehicles, represent more than \$100 billion in bilateral trade every year.

The Canadian Vehicle Manufacturers' Association, which lobbies on behalf of the Detroit 3 automakers in Canada, called for an immediate end to the protests.

"Blockades at Canada's borders are threatening fragile supply chains already under pressure due to pandemic related shortages and backlogs," CVMA CEO Brian Kingston said in a statement. "We are calling on cooperation from all levels of government to resolve this situation and bring an immediate end to these blockades."

Kingston called the crossing "a key conduit for motor vehicles and parts, Canada's second largest export."

"Auto production relies on efficient supply chain logistics for delivery of parts, components and vehicles," he said. "Persistent delays at the Ambassador Bridge risk disrupting automotive production that employs tens of thousands of Canadians."

— Crain's Detroit Business reporter Kurt Nagl, Automotive News reporter Greg Layson, Bloomberg and the Associated Press contributed to this report